

The Virginia Poverty Law Center (VPLC), a non-profit which represents the interests of low-income people in Virginia, is happy to provide comments on the Regulations for Emissions Trading before the Virginia Department of Environmental Quality. We appreciate the consideration and care of the agency for following Executive Order 11 which aims for "Reducing Carbon Dioxide Emissions from Electric Power Facilities and Growing Virginia's Clean Energy Economy," that (i) ensures that Virginia is trading-ready to allow for the use of market-based mechanisms and the trading of carbon dioxide (CO<sub>2</sub>) allowances through a multi-state trading program, and (ii) establishes abatement mechanisms that provide for a corresponding level of stringency to CO<sub>2</sub> limits imposed in other states with such limits. The VPLC is glad there will be more opportunities for jobs and growth moving forward. We hope that low-income Virginians will also benefit from the jobs and opportunities, not be left behind in the new energy economy. This is an opportunity to help those struggling to find well-paying jobs to secure a brighter future. We will not comment on how to allocate carbon credits or the levels or limits on those allocations. Our comments today focus on what happens if and when there are excess credits when Virginia participates in a regional CO<sub>2</sub> trading system. We are not experts in energy, but from our analysis, there may be a day when Virginia utility monopolies have an excess of credits which when sold, would generate revenue. If funds are generated from the sale of such credits, we believe any regulation should contemplate how those funds are used or allocated. If such an event were to arise, what happens to the funds generated is of keen interest to us. We believe that regulations should ensure such proceeds should not be ceded to the utility monopolies for distribution to their shareholders, rather, we believe any proceeds should be returned to the electricity consumers, particularly low-income rate-payers. Whether by programs that help with energy efficiency, or direct rebates on bills, we believe that the regulations should return any excess profits go to the consumer. As energy costs are expected to increase over time, the VPLC has been working to ensure more programs are in place to help weatherize and make homes of low-income families, particularly in the multi-family arena more energy efficient to help stabilize utility costs and their meager budgets. We believe that either programs that help with energy efficiency, or direct rebates to consumers, should be the focus of any funds generated by the trading system.